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ABSTRACT

The principal emphasis in Management by Objectives (MBO) in education and other industries is on management planning and problem solving. Organization development attempts to integrate individual needs for growth and development with organizational goals and objectives in order to make a more effective organization. MBO is used to help eliminate or minimize barriers which prevent release of human potential within an organization. Advantages of MBO for personnel and the organization are noted in this report. Suggestions are made for MBO implementation. MBO is discussed as it applies to some aspects of William Rainey Harper College's (Illinois) organization. (CA)

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HARPER COLLEGE ORGANIZATIONAL DEVELOPMENT

AND

THE IMPLEMENTATION OF A MANAGEMENT BY OBJECTIVES SYSTEM

IN AN EDUCATIONAL ENVIRONMENT

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HARPER COLLEGE ORGANIZATIONAL DEVELOPMENT

Experiments and studies over 50 years have convinced many behavioral scientists that our organizations are inefficient in realizing the potential of their human resources, that they function on the basis of incorrect assumptions about the nature of man, and that they tend to limit the growth of the persons who work in them. They are inadequate in their consideration of the human element.

Organizational Development is a way of looking at the whole human side of organizational life.

Using knowledge and techniques from the behavioral sciences, organization development attempts to integrate individual needs for growth and development with organizational goals and objectives in order to make a more effective organization.

A few of the behavioral science findings and hypotheses underlying the theory and method of organization development are as follows:

a. People have a drive toward growth and self-realization.

b. Work which is organized to meet people's needs as well as to achieve organizational requirements tends to produce the highest productivity and quality of production.

c. Individuals whose basic needs are taken care of do not seek a soft and secure environment. They are interested in work, challenge, and responsibility. They expect recognition and satisfying interpersonal relationships.

d. Personal growth is facilitated by a relationship which is honest, caring and nonmanipulative.

e. Persons in groups which go through a managed process

of increasing openness about both positive and negative feelings develop a strong identification with the goals of the group and its other members. The group becomes increasingly capable of dealing constructively with potentially disruptive issues.

F. The ability to be flexible and responsive flows naturally from groups which feel a common identification and an ability to influence their environment.

Building on these findings and assumptions, organization development begins with a process of diagnosing the roadblocks which prevent the release of human potential within the organization. Objectives are then formulated to eliminate and minimize these roadblocks.

Following are a number of objectives for organization development of Harper College.

1. To create an open, problem-solving climate throughout the organization.

2. To supplement the authority associated with role or status with the persuasiveness of knowledge and competence.

3. To locate decision-making and problem-solving responsibilities as close to the information sources as possible.

4. To build trust among individuals and groups throughout the organization.

5. To make competition more relevant to work goals and to maximize collaborative efforts.

6. To develop a reward system which recognizes both the achievement of the organization and development (growth of people.)

7. To increase the sense of "ownership" of organization objectives throughout the organization.

8. To help managers to manage according to relevant objectives rather than according to "past practices" or according to objectives which do not make sense for one's area of responsibility.

9. To increase self-control and self-direction for people within the organization.

THE MANAGEMENT BY OBJECTIVES SYSTEM

TOPICS

1. Management by Objectives - Defined
2. MBO Thinking as a Straight Forward System
3. Definitions for Semantic Clarification
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MANAGEMENT BY OBJECTIVES - DEFINED

Management by objectives is:

A system for making organizational structure work,
bringing about more vitality and personal involvement
in the hierarchy,
by means of statements of what is expected for every-
one involved and measurement of what is actually
achieved,
stressing ability and achievements rather than
personality.

MBO THINKING AS A STRAIGHT FORWARD SYSTEM

The principal emphasis in management by objectives is on management planning and problem solving rather than the production of an informed judgment of an individual's performance by his supervisor. The aggregate and direction of individual growth and job performance improvement are largely affected by the quality of the objectives and the plans originally agreed upon. The actual "working out" of objectives and plans is of critical importance to the success of MBO.

The following procedures are integral to the MBO system:

I. The central purpose and function of the organization must be generally understood and agreed upon.

II. Each sub-unit purpose and how it integrates into the overall organization must be generally understood and agreed upon.

III. Position descriptions must be available for all organizational jobs. These descriptions provide the basis for establishing routine objectives, authority and accountability relationships.

IV. Each individual writes down his major performance objectives for the coming year in measurable terms and set target dates. (Objectives may be classified problem solving, innovative, routine, personal development.)

V. He submits them to his supervisor for review. Out of the discussion comes a mutually agreed upon set of objectives.

VI. On a quarterly basis or some other schedule, he verbally reviews progress toward these objectives with his supervisor. Objectives and plans are revised and up-dated as agreed. (Coaching and Development)

VII. At the end of the year, the individual prepares a brief "accomplishment report" which lists all major accomplishments, with comments on variances between results actually achieved and results expected.

VIII. This appraisal on Report of Progress is discussed with the supervisor. Reasons for goals not being met are explored. (Coaching and Development)

IX. A new set of objectives is established for the next year.

X. Long Range objectives are reviewed and adjusted as needed.

DEFINITIONS - FOR SEMANTIC CLARIFICATION

1. ACCOUNTABILITY: An obligation to answer to a superior for carrying out delegated responsibilities; obligation to produce and account for results, in terms of objective or work which have been delegated.
2. AUTHORITY: The right, power, and freedom to take action necessary to carry out work or obtain results for which the person is accountable.
3. INNOVATIVE - DEVELOPMENTAL OBJECTIVE: (Creative Objective) A new or different approach which may lead to improved or expanded results.
4. MISSION: Reason for organization's existence; purpose.
5. OBJECTIVES:

Objective	An end result; a goal or target toward which effort is directed.
General:	The longest range and culminating end result, generally in a series of identified accomplishments.
Specific:	An intermediate, shorter term end result leading to a general objective
Interim:	(December 1, 1969 - June 30, 1970)
Annual:	(Any year; June 30th to June 30th)
Intermediate:	(Beyond annual) leading to long range objective
Long Range:	(5 years - starting June 30, 1970)

6. ORGANIZATION:

Chart: A schematic representation of organization structure, authority and relationships.

Function: The total of positions encompassing one kind of work grouped to form an administrative unit.

Structure: The "pattern" work assumes as it is identified and grouped to be performed by people.

Structure - Developing: The work a manager does to identify and group the work to be performed.

7. PERSONAL DEVELOPMENT OBJECTIVE: An individual effort which leads toward improvement of professional or managerial skills and the enhancement of career growth.

8. POLICY: A standing decision made to apply to repetitive questions and problems of significance to the enterprise as a whole.

9. POSITION DESCRIPTION: Work grouped for performance by one individual.

10. PROBLEM SOLVING OBJECTIVE: A performance modification which leads to the correction of a discrepency or deficiency in the level of current performance.

11. PROCEDURE: A standardized method of performing specified work S. O. P.

12. PROGRAM: A sequence of action steps arranged in the priority necessary to accomplish an objective.

13. RELATIONSHIPS: The conditions necessary for mutually cooperative efforts of people.

14. RESPONSIBILITY: The work, function, or activities assigned a particular organizational component or person. Responsibility may be delegated and re-delegated.

15. RESULTS: The outcome of performance

16. REVIEW: To examine critically

17. ROUTINE OBJECTIVE: A repetitive, commonplace but necessary goal to which an effort is directed.

18. SUPERVISION, SPAN OF: The number of people supervised by a manager.

POTENTIAL ADVANTAGES OF MBO - ORGANIZATION

The organization gains greater self-understanding and the effective utilization of each manager's time is increased.

I. The objectives of the organization, the sub-units and the individual manager's objectives are stated precisely.

II. Position descriptions are continually reviewed and adjusted to meet changing conditions.

III. Precisely stated objectives serve to point effort in the right direction and offer standards to measure progress.

IV. Setting objectives may identify organizational weakness; areas of overlap, voids of responsibility, alignments, poor practices, etc.

V. MBO requires unusually close and precise attention to the job of managing.

VI. The organization has a more objective appraisal of management performance and thus has a better basis for relating management compensation to management contribution.

VII. MBO reinforces the delegation process essential to an effective organization.

VIII. Control is accomplished within the organization through greater self control by the individual administrator rather than his superiors, reducing the frequency for the need of supervision.

IX. Planning is improved. There is more and better planning.

X. MBO aids communication up, down and across the organization. Participation by all managers of the organization in a management system builds teamwork, unity and establishes an organizational "way of life."

XI. Because of planned, periodic reviews, assessment and coaching sessions stimulate objective adjustment before major problems develop. This increases the potential of an organization to accomplish it's major objectives.

POTENTIAL ADVANTAGES OF MBO - PERSONNEL

I. Personnel clearly understand the organization and their role in it.

A. Objectives seem easier to achieve because they are clearly defined. The clearer the idea an individual has of what he is trying to accomplish, the greater the chance of accomplishing it.

B. The individual's effective span of control is more clearly defined.

C. More balanced work loads may be achieved because the supervisors are more aware of the responsibilities each position carries.

II. Personnel are involved in planning.

A. Creativity is encouraged.

B. The individual is more genuinely committed to his work. Achieving objectives he has helped to develop seems really to matter.

C. Because it has been specifically planned in advance, the performance of the work seems easier.

D. Emergency projects may not necessarily become additional burdens because priorities and objectives have been adjusted.

III. MBO serves as an ideal base or climate for more personnel oriented appraisals of performance and development.

A. The individual and his supervisor play more equal roles with similar information and a great area of common knowledge as background. The interview now has a greater chance

of becoming a mutual search for better ways to manage.

B. The feedback he receives from performance reviews serves as a basis for self-development and increases his chances for future success.

C. There is greater satisfaction in self-improvement in performance.

IV. Relationships improve between superiors and subordinates.

A. The individual knows that his ideas will be considered.

B. Appraisal and coaching is done in light of performance results, rather than subjective judgments; in the context of the job to be done, not in terms of personal or professional inadequacies.

C. MBO tends to eliminate the "political" atmosphere - the need to guess what the boss wants. Continuity is maintained even when the bosses change.

V. Inter-organization relationships are improved.

A. A team spirit is created.

B. The common interest in achieving a goal helps individuals working in teams to keep their conflicts and disputes in the open where they can be readily dealt with and resolved.

VI. MBO can set the stage for an administrative development program or management development vehicle between supervisors and subordinates.

VII. MBO creates a common ground for widely different personalities and leadership styles.

NOTABLE NOTES (TO ORGANIZATIONS) ON MBO IMPLEMENTATION

I. The implementation of MBO requires a specific environment.

A. A climate of trust, readiness and enthusiasm on the part of managers, and a complete understanding of the system will best nourish the initiation and successful implementation of an MBO system.

B. Organizational changes may be necessary to implementation, such as:

1. A greater delegation of authority
2. A greater information flow
3. A larger budget for the management process
4. A change in salary and bonus procedures

C. Adequate resources must be provided to accomplish objectives.

D. A unit may implement MBO if two conditions are met:

1. There must be sufficient clarity about the basic mission of the unit so that it can be sure what it is supposed to accomplish.

2. The unit must have delegated sufficient authority so that decisions can be made within the unit about how the basic mission is to be carried out.

II. Objectives of the organization and its components must be consistent.

A. The president must insure that the objectives of one manager must merge rather than conflict with others who may shre in the accomplishment of a larger goal.

B. When reviewing goals of individuals under him a manager must be sure that there is an inter-related matrix - a total goal management system.

C. Individual managers initiate the process of setting objectives. The proposals they originate are reviewed by their supervisors to insure subordinate goals are in support of higher levels in organizations, and that ultimately the corporate objectives will be achieved. Information sometimes withheld about the future as it is viewed from the Board or president, must be transmitted downward so that managers have a meaningful context within which to formulate their goals.

D. Complete and current position descriptions for each managerial position are essential guides to effective goal setting.

III. The focus of MBO is performance

A. Regular performance (routine goal accomplishment) is a minimum acceptable standard in the MBO process. Managerial excellence occurs when the manager begins to display problem solving and innovative behavior.

B. Organizational or periodic reviews allows timely accountability for long and short range objective completion.

C. The organization must provide managerial development prior to or along with MBO implementation.

HINTS ON OBJECTIVE WRITING

I. A good objective is:

1. A challenge (stretch) - (problem solving and innovative only)
2. Specific
3. Measurable
4. Limited in time
5. Attainable (realistic)
6. A commitment between the employee and his supervisor.
7. Integrated into the organization

II. (a) Quantifying marks often used in objective measurement:

1. Percentages
2. Weight
3. Ratios
4. Numbers
5. Dollars
6. Time
7. Volume

(b) For morale measurement, the following quantifying factors might be considered.

1. Grievances
2. Requests for transfer
3. Absenteeism
4. Turnover
5. Complaints
6. Sickness (malingering)

III. Non-Quantifiable Objective (describing condition which will exist when objective is reached)

Example: An improved system of communication with students

will be implemented during the 1969-70 calendar year. This will be accomplished when:

a. An evaluation of the present system is accomplished.

b. A student opinion poll is established.

c. A weekly bulletin for students is implemented.

d. The adequacy of student posting areas is reviewed with representatives of clubs and the student senate.

IV. Goals or objectives normally fall into four (4) categories (G. Odiorne)

a. Routine (Stabilizing)

b. Problem Solving (Self Healing)

c. Creative (Growth or Improvement)

d. Personal

V. Objectives Defined -

a. Routine - A repetitive, commonplace but necessary goal to which an effort is directed.

b. Problem Solving - A performance modification which leads to the correction of a discrepency or deficiency in the level of current performance.

c. Creative - Development - A new and different approach which may lead to improved or expanded results.

d. Personal - An individual effort which leads toward improvement of professional or managerial skills and the enhancement of career growth.

MBO - CAUTIONS

MBO is not: a cure all or an all purpose system, a management speed-up system, or a gimmick for increasing managerial production. As with any system of management, MBO has limitations and potential pitfalls.

I. Two substantive limitations of MBO:

   A. MBO does not appraise and completely identify potential, therefore the system places the burden on a supervisor to assess lack of results in light of his responsibility for coaching and development.

   B. In action, MBO stresses results and doesn't provide for methods of achieving them.

II. Pitfalls to avoid:

   A. The halo effect of objectives must not be allowed to over-ride routine and other administrative work.

   B. Employees must not be overwhelmed by a sea of paper in the MBO process.

   C. Employees must not feel that increasingly higher goals and/or objectives will be demanded. They must be assured that at a certain point an objective may become an acceptable standard.

   D. The quality of objectives seem to deteriorate at each level if strong coaching and development does not take place.

   E. Coaching should not always be left until the time of

the annual or quarterly review. If, for example, there is to be an administrative change, coaching should be done at the time most concurrent to the act.

F. Poor job descriptions as a base lead to poor objective setting.

III. Factors which should be taken into account:

A. Overlapping objectives are difficult to set, attain and evaluate. Managers rationalize why goals are not met.

B. There is a 25 percent difference in how the boss sees the job as opposed to his subordinates' view of the job.

C. Educators have a tendency to describe rather than quantify, which sometimes presents a problem in objective setting and evaluation.

D. MBO by itself does not provide the skills for management development.

E. There must be a willingness to invest a tremendous amount of energy in the MBO system before results are seen.

F. Full implementation of MBO requires three to five years.

TENTATIVE HARPER COLLEGE MISSION STATEMENTS

The mission of Harper College is to provide the highest quality community college program of education designed to offer each student maximum opportunity to learn and develop, to seek out the most modern creative and effective organizational and educational ideas, and to test, improve and implement those ideas which meet the needs of the community at a reasonable cost.

PURPOSE - Institutional Services (President's Office)

In order to maximize each student's opportunity to learn and develop, the purpose of Institutional Services is to provide within the resources of the college budget services to the college staff and community in the areas of research and planning, development, public information, visual design and data processing.

PURPOSE - Academic Affairs

In order to maximize each student's opportunity to learn and develop, the purpose of Academic Affairs is to provide in the most creative and effective manner possible, the educational programs necessary to satisfy the educational needs of the community, including courses and programs necessary for a transfer to four-year colleges or universities; courses and programs in career areas; continuing education and community services; and adequate support to these programs and the community in the Learning Resources Center.

PURPOSE - Student Affairs

In order to maximize each student's opportunity to realize his full human developmental potential, the purpose of Student Affairs is to provide in compliment with and supplementary to the academic program educational recreational and social experiences to students beyond the traditional classroom program, through the recruitment and admission of students to the college, through the advisement and counseling of students and through the provision of a broad range of services to students.

PURPOSE - Financial Affairs

In order to maximize each student's opportunity to learn and develop, the purpose of Financial Affairs is to provide a high quality business affairs organization that operates on the basis of the latest management concepts in order to provide management information, efficient physical facilities, materials, and supportive services as its contribution to achievement of the college mission.

HARPER COLLEGE: APPRAISAL INTERVIEW

The appraisal interview is an administrative tool used at least three times a year, independent of salary consideration, to assess the progress and productivity of each administrator. It is a significant part of MBO in that it is the review of a manager's progress in carrying out the goals and objectives which he and his supervisor have agreed upon at the beginning of a specific period. As a part of a MBO system, anxiety-producing aspects at the appraisal experience should be minimized for both the supervisor and for his professional, since both individuals are emotionally involved in the review, each having agreed to the original objectives. The appraisal process reinforces the principles of participative management, coaching and development, and the maintenance of the best supervisor-professional relationships.

Basic to a successful appraisal interview are the existence of good job descriptions throughout the institution and a degree of sophistication in goal setting arising out of the job descriptions. Additionally, it is imperative that the supervisor be aware of the major elements of the professional's job and that he spend at least 30 to 45 minutes in preparation for the interview. During the preparation period a plan for the interview should be developed, past performance and interview data should be reviewed and the supervisor should refresh himself on the goals and objectives to be discussed. A poorly prepared supervisor is certain to produce anxieties for himself or his client somewhere in the interview.

Perhaps the most productive role for a sensitive supervisor is to practice the art of listening while the professional evaluates his progress in carrying out each goal, objective or major element of his job description. The supervisor should be careful not to interrupt but should look for the most natural opportunity to probe or clarify the professional's verbalizations. Careful probing or clarification should produce agreements on areas to be improved, or adjustments needed for goal completion. In all cases, both should agree to each condition and the appropriate note should be made by the supervisor for the summary which is essential to the closing of a good interview.

Goals not met or off schedule should be adjusted or a plan devised to put them back on schedule.

Most significant to the interview will be the degree to which a supervisor is able to create a non-threatening atmosphere and a respectful exchange of opinions. Within the interview and as subtly as possible, near the end of the evaluation, the professional should be provided the opportunity to respond to questions which it is the supervisor's obligation to ask. The degree to which a supervisor is able to listen attentively and quietly to the professional's response to each question he poses will be significant to the quality of relationship that will continue between the two members of a team.

The questions are:

1. Are your duties and responsibilities adequately defined?
2. Do you find your work sufficient and challenging?
3. Do you feel your work and ability are appreciated?
4. Do you feel you get the backing and support you need?
5. Are you informed and consulted when you should be?
6. Do you have access to your supervisor to talk things over freely?
7. Do you have the authority and opportunity to excercise initiative?
8. Do you feel your opportunities are adequate?
9. What could your supervisor or others do to help you do a better job?
10. What kind of place, in general, do you feel this is to work?
11. What other things that you like or dislike about your job would you like to convey to your supervisor?

"We must touch his weakness with a delicate hand. There are some faults so nearly allied to excellence that we can scarce weed out the faults without eradicating the virtue."

Oliver Goldsmith